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Ending Silence, Insider Lifts CIA Veil

Fiers Tells Panel Gates Did Not Know Details of Iran-Contra

By George Lardner Jr. and Walter Pincus
Washington Post Staff Writers

A former senior CIA officer, unburdening himself after five years of silence about the Iran-contra scandal, gave a riveting insider's account of its origins yesterday and said he had no reason to challenge Robert M. Gates's claims of faint knowledge of the affair.

Testifying at Senate hearings on Gates's nomination to head the CIA, Alan D. Fiers, former chief of the agency's Central American task force, made his audience forgetful at times about why they were there as he recounted his own involvement in the contra end of the scandal and his dealings with the late CIA director William J. Casey and former White House aide Oliver L. North.

Fiers said he was sure Gates, like many others in the administration, "understood the framework" of the secret network that North set up to give military aid to the contra rebels in Nicaragua when Congress banned such aid. But Fiers added, "I'm sure he [Gates] didn't know the details."

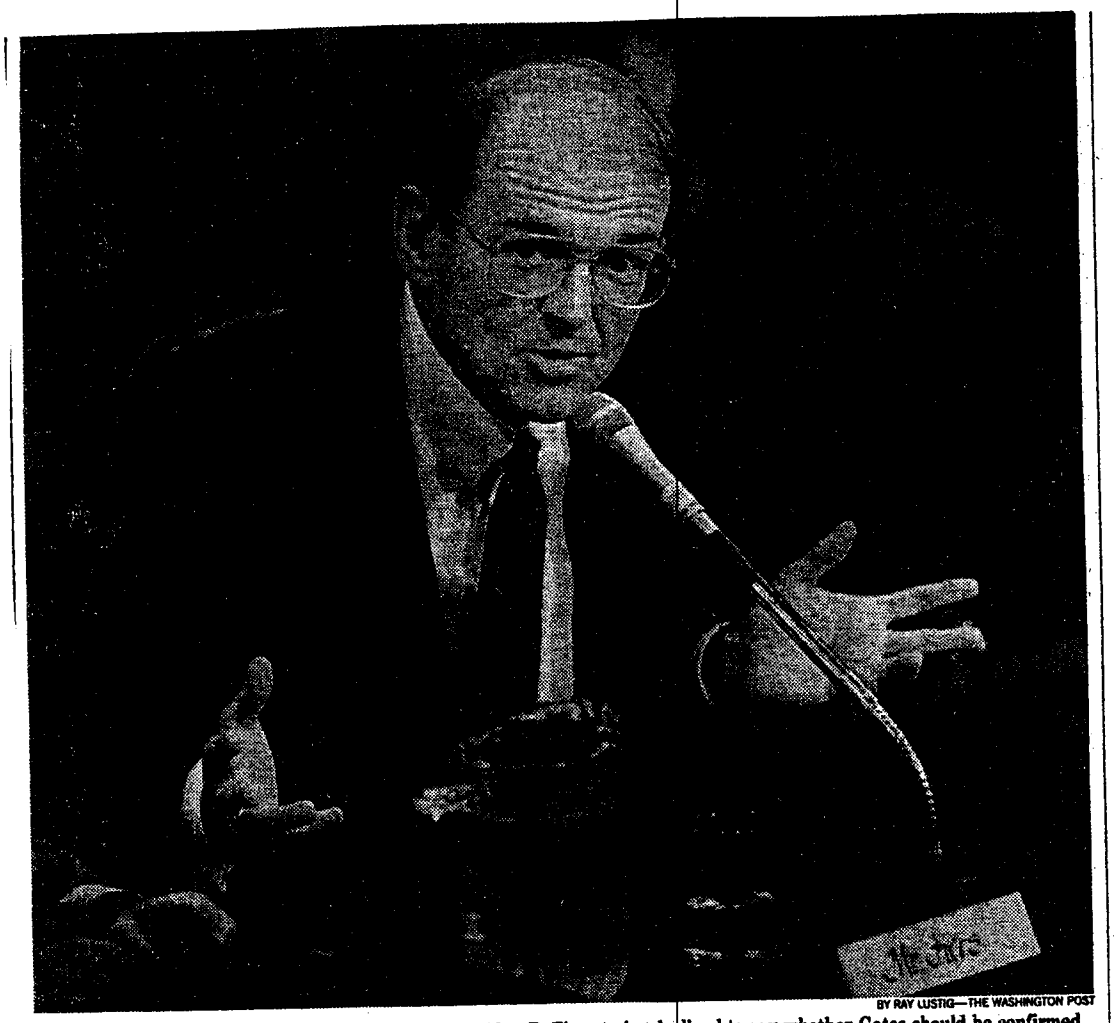
The world Fiers depicted was worthy of a spy novel, full of black-is-white logic, rival directorates, clannish sections and cold-eyed bureaucrats with little compassion for subordinates. Fiers told the committee of one incident, after the scandal broke in November 1986, when he was in the office of Clair E. George, CIA deputy director for covert operations, telling George about the legal problems their station chief in Costa Rica, Joseph Fernandez, was facing for cooperating too closely with North.

At that point, Gates, who had taken over as acting CIA director from the ailing Casey, walked into the room. George filled him in on what Fiers had just said, explaining that "Alan says Joe Fernandez better get a lawyer and take the Fifth Amendment."

Gates, Fiers recalled, said promptly, "Well, if he does that, he's fired."

Fiers, who by that point had delivered misleading testimony of his own to Congress, said he took Gates's remark as a chilling signal. What it meant to him, Fiers

See GATES, A4, Col. 1



BY RAY LUSTIG—THE WASHINGTON POST

At Senate confirmation hearings, former CIA officer Alan D. Fiers twice declined to say whether Gates should be confirmed.

GATES, From A1

told the committee, was: "If you take the Fifth Amendment, you're out of here. . . . If you hire a lawyer to represent you, then it is an acknowledgement that you have some legal problem, and it could be viewed in a negative fashion."

Fiers said Gates's message had a direct impact on him and "every other officer in the agency." In his case, he said, it kept him from hiring a lawyer—"10 months too late, I might add."

Speaking under a grant of immunity from prosecution, Fiers, who pleaded guilty in July to withholding information from Congress, traced his account to October 1984 when the ban on military aid to the contras went into effect. Fiers had just been picked by Casey to head the task force when he got into a dispute with North, the details of which he could not recall.

Within short order, Fiers said, Dewey R. Clarridge, who had been running the CIA's contra program until a controversy with Congress forced his reassignment, called him in for a chat and told him, "Alan, there are things going on that you don't know about. Cooperate with Ollie."

Fiers said he reported the conversation to George, and that same day or the next, was summoned to Casey's seventh-floor office at Langley for a meeting that included the director, George, the chief of the Latin American division (whom Fiers did not name) and North. Fiers gave this account:

At first, Casey "looked at Ollie and said, 'Ollie, Alan tells me you're operating in Central America. Is that true?" Then, apparently without waiting for an answer, Casey had Fiers recount the dispute, turned back to North and asked him again: "Ollie, are you operating . . . ?"

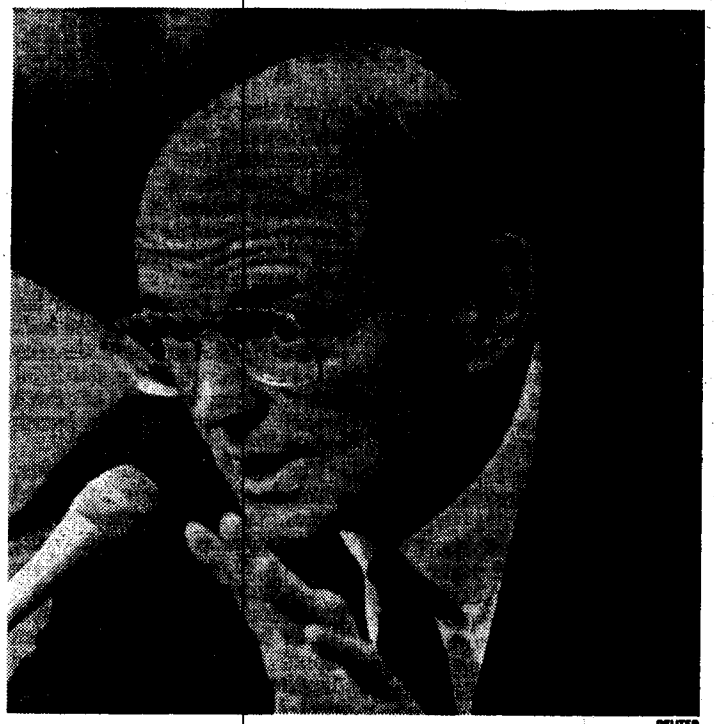
"Ollie looked at the director and said, 'No sir.'

" 'Good. I want you to understand that you're not to operate in Central America.' "

Fiers said he was "incredulous" until George enlightened him on the walk back to their offices. He said George told him:

"Alan, you've got to understand what happened in that meeting just there. . . . Sometime in the dark of night, Bill Casey has said, 'I'll take care of Central America. Just leave it to me.' And what you saw going on in there was a charade."

Fiers said he was stunned. "Jesus Christ, Clair," he recalled telling George, "if that's true, this will be worse than Watergate if it ever comes out in the open." At that, Fiers said, "Clair just shook his head and he said, 'Essentially, that's not a problem.' " [George was indicted this month on 10 felony counts of lying and obstructing congressional and grand jury investigations of the scandal.]



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Fiers said that late CIA director William J. Casey was "as crafty as they come."

From that point on, Fiers said he dedicated himself to the contra cause, convinced that the CIA could not afford another failure and determined to make himself "a buffer" so that the agency, and especially the people who worked under him, would not be exposed. In the process, he said, he "crossed the line" and got too close to North and his network. But he tried never to take anything North said at face value.

"Ollie," Fiers told the committee, "is gifted in many ways . . . a little bit [like baseball pitcher] Hoyt Wilhelm. . . . You never knew where the ball was going. Sometimes it was tremendously effective. And sometimes it was a total wild pitch."

Fiers, 52, also grew close to Casey, frequently reporting to him directly and lunching with him privately in the director's dining room. He called Casey a man of vision who in their conversations even envisioned the collapse of the Soviet Union, but also a man who knew how to keep secrets—"as smart, as clever and as crafty as they come." To this day, Fiers said he is not sure whether Casey knew the innermost secret of the scandal: the diversion to the contra cause of profits from secret arms sales to Iran.

Fiers knew of the diversion. He said North told him about it, first in the early spring of 1986, suggesting then the Israelis were funneling the money, and then in late August 1986, when North informed him the United States was actually diverting the profits. Fiers said he told his immediate superior, Latin American division chief Jerry Gruner (whose name was not mentioned at the hearing) and George, but not Gates.

Under questioning by committee Chairman David L. Boren (D-Okla.), Fiers said he had no reason to believe that anyone else told Gates of Fiers's conversation with North. Gates has testified that his first hint of the diversion came on Oct. 1, 1986, when a senior CIA analyst, Charles Allen, told him that he had concluded from top secret intelligence traffic and his own conversations with key participants that a diversion had taken place. Gates told the committee this week that he

should have "done more" to pursue the matter.

In contrast to his praise of Casey, Fiers was less enthusiastic about Gates and twice declined to say whether Gates, who is now deputy national security adviser to President Bush, should be confirmed as CIA director.

Asked to give his personal view of Gates, Fiers initially described him as "an exceptionally gifted analyst . . . an exceptionally gifted operator within the bureaucratic structure and one that . . . had a meteoric rise within the agency."

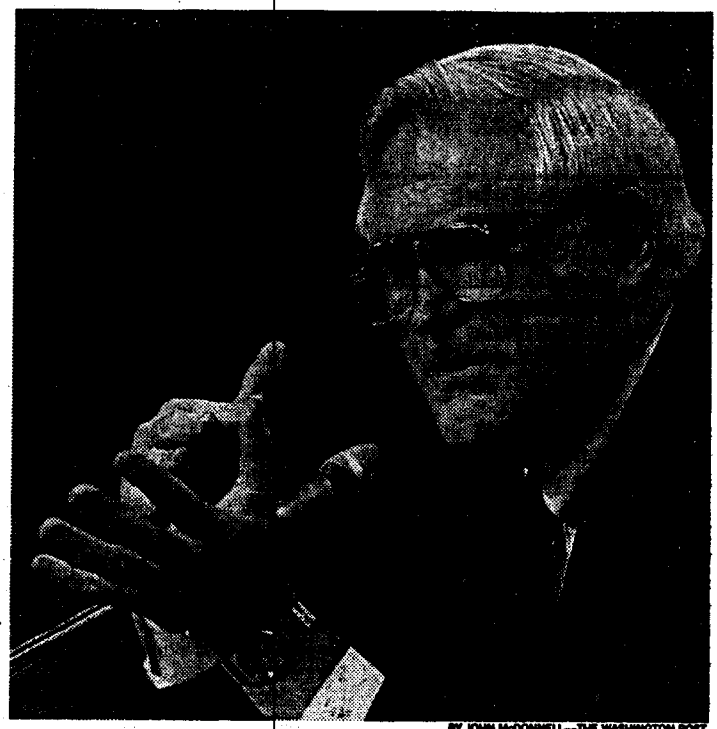
He said Gates was viewed by colleagues, some of whom were jealous of his success, as "very smart, very capable, sort of on the make." Gates is "not the kind of person you get chummy with," Fiers said.

Asked if Gates was "intellectually tough," Fiers hesitated, then said: "Being absolutely honest and frank with the committee, that's a question in my mind."

Later in the hearing, Sen. John H. Chafee (R-R.I.) tried to offset that impression by drawing attention to a hitherto undisclosed Gates memo that recommended bombing to destroy the military buildup by Nicaragua's Sandinista regime.

In the memo, written to Casey on Dec. 14, 1984, after the congressional ban went into effect and while Gates himself was deputy director for intelligence, Gates said that even if Congress reinstated funds, "the contras, even with American support, cannot overthrow the Sandinista regime."

The alternative, Gates wrote, would require "a mustering of political force and will" in the administration and Congress to support a program including "withdrawal of diplomatic recognition of the regime in Managua and recognition of a government in exile." That would be followed by overt aid to the exile government's military; economic sanctions against Nicaragua, and "the use of air strikes to destroy a considerable portion of Nicaragua's military buildup," Gates told Casey. He said bombing should "focus particularly on the tanks and the helicopters."



BY JOHN McDONNELL—THE WASHINGTON POST

Former deputy director McMahon urged panel to approve Gates nomination.

North voiced similar ideas for military action around the same time, including, Fiers said yesterday, use of "stealth" fighter-bombers to destroy all the Sandinistas' Soviet-supplied Hind helicopter gunships.

Chafee said the memo was not the mark of someone unwilling to take a tough stand. But Sen. Howard M. Metzenbaum (D-Ohio), a Gates critic who originally introduced the memo at yesterday's hearing, asked another witness—former deputy CIA director John N. McMahon—whether this was an example of Gates's trying to curry favor with Casey who believed in strong action.

McMahon said he was "quite surprised by the memo" and added that he did not know "what prompted Bob to do that."

McMahon, who preceded Gates as deputy director, began his testimony by urging the committee to approve Gates, saying he was "uniquely qualified for the position."

The last witness yesterday, former senior CIA offical Thomas Polgar, who also served as an investigator for the 1987 Senate committee that probed the Iran-contra scandal, touched off the first sharp exchanges of the day.

In his opening statement, Polgar charged that Gates "was part of the coverup and concealment in misleading Congress" about the Iran-contra affair. Polgar described instances of "false testimony" by Gates in the months after the scandal broke.

In an unusual step for the committee, Sen. William E. Cohen (R-Maine), the former vice chairman of the committee but no longer a member, was given an opportunity to respond to Polgar. Cohen, who was also a member of the Iran-contra investigating panel, accused Polgar of "robbing Gates of his good name" and charging him with the crime of perjury.